However, in November, 2004, Government of India unilaterally decided to reduce the deployment of troops from the State of Jammu and Kashmir. The decision to reduce troops was based on a thorough assessment of the situation on the ground after improvment in the security scenario in Jammu and Kashmir due to the relentless efforts on the part of the security forces taken to contain terrorism. Government has taken adequate measures to ensure that troop reduction or readjustment on ground of the available troops is not exploited by the terrorists. The situation is under constant review.

A total of 537 terrorists were killed and 159 casualties were suffered by the security forces in the State of Jammu and Kashmir during the period July, 2004 to January, 2005.

Need for reforms and modernisation in textile sector

*213. SHRI RAVI SHANKAR PRASAD:
DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware that there is a need to reform and modernise the textile sector failing which China, Pakistan and Thailand may capture the world market in the quota-free regime; and

(b) if so, what is the action plan of Government to modernise the textile sector to secure a better footing in world market?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA) : (a) Yes, Sir.

(b) Certain measures already taken by the Government to modernize the Indian textile sector to secure a better footing in world market are as follows:—

* Technology Upgradation Fund Scheme (TUFS) has been launched w.e.f. 1.4.1999 to facilitate modernization/technology upgradation of textile and jute sectors. The Finance Minister, in his Budget Speech 2005-06, has announced an allocation of Rs. 435.00 crore for this Scheme for the financial year 2005-06. He has also announced introduction of a credit linked capital subsidy scheme @ 10% under TUFS, in addition to the existing 5% interest reimbursement, for speedy modernisation of the textile processing sector.

* In order to facilitate modernisation of the Powerloom Sector, Schemes such as High-tech Weaving Parks, Modernisation and Strengthening of Powerloom Service Centres, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @ 20% have been introduced. Government has enhanced, w.e.f. 13.01.2005, the capital ceiling for machinery for Rs. 60.00 lakh to Rs. 100.00 lakh under 20% capital subsidy scheme for the decentralised powerloom sector.

* In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

* To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% on 387 machinery of List 30, 31, 32, 45 and 46 continues to be at 5%.

* In 2005-06 Budget, 30 items of knitting and knitwear have been de-reserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

* A Centrally sponsored scheme titled "Apparel Parks for Export Scheme" has been launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

* For upgrading infrastructure facilities at important textile centres the "Textile Centre Infrastructure Development Scheme" has been launched.

* Technology Mission for Cotton has been launched for initiating, focused steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

* Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.